

Home Modification Loan Program (HMLP)

Application Guide

Thank you for your interest in the Home Modification Loan Program. This is a loan program, providing funds for individuals and families to modify their homes for a household member of any age with a professionally documented limitation or disability. The HMLP lends from \$1,000 to \$30,000 secured by a promissory note and mortgage that is recorded as a lien on the property.

Please read the Brochure, and other information carefully before completing this application.

Additionally, please refer to the checklist with this application to make sure your application is complete. If you have any questions, or need assistance completing any part of the application, please do not hesitate to contact your provider agency.

- **All of the information and documents required as part of this application are necessary for HMLP provider agencies to determine home modification project and loan product eligibility.**
- ***This is not a home repair, roof, septic or heating system replacement program.*** The modifications made to the home must relate to the beneficiary's ability to function on a daily basis.
- **Income guidelines for eligibility** are included with this application in the section entitled *Frequently Asked Questions*.
- **If you are an employee or a relative of an employee of the provider agency**, who sent you this application, call your local provider agency to be assigned to another provider agency.
- **Reasonable accommodations** will be provided as needed by the provider agency to assist in completion of the application. If you need any assistance with the application please let your provider agency know how they can be of assistance.

Home Modification Loan Program

Provider Agencies

Your completed application should be sent directly to the agency serving your community. If you are unsure of where to send your application, please visit our website <http://www.mass.gov/mrc/hmlp> where you can search by city/town to determine which agency serves your community or call MRC at 617-204-3739

Western, MA

HAP, Inc

322 Main Street
Springfield, MA 01105
Contact: Marta Alvarez
413-233-1615

malvarez@haphousing.org

*Serving: Agawam, Chicopee, Holyoke,
Northampton, Springfield, West Springfield and
Westfield*

Pioneer Valley Planning Commission (PVPC)

60 Congress Street
Springfield, MA 01104
Contact: Shirley Stephens
413-781-6045

sstephens@pvpc.org

Serving: all other Western MA communities

Central, MA

RCAP Solutions Financial Services, Inc

12 East Worcester Street
Worcester, MA 01604
Contact: Renee Perdicaro
978-630-6725

rperdicaro@rcapsolutions.org

Northeast/North Shore, MA

Community Teamwork, Inc (CTI)

155 Merrimack Street
Lowell, MA 01852
Contact: Alan Trebat
978-654-5741

atrebat@comteam.org

Metrowest, MA

South Middlesex Opportunity Council (SMOC)

7 Bishop Street
Framingham, MA 01702
Contact: Susan Aaron
508-620-2682

saaron@smoc.org

Southeastern, MA/Cape/Islands

South Middlesex Opportunity Council (SMOC)

HMLP-SMOC

P.O. Box 309

Buzzards Bay, MA 02532

Contact: Amy Allen

508-202-5919

aallen@smoc.org

Metropolitan Boston

Metropolitan Boston Housing Partnership (MBHP)

125 Lincoln Street

Boston, MA 02111

Contact: Jennifer Shaw

617-425-6637

Jennifer.shaw@mbhp.org

Home Modification Loan Program

www.mass.gov/mrc/hmlp

Frequently Asked Questions

What is the Home Modification Loan Program?

The HOME MODIFICATION LOAN PROGRAM (HMLP) was established by the Massachusetts legislature to provide loans in amounts between \$1,000 and \$30,000 for modifications to the primary, permanent residence of elders, and individuals with disabilities. These loans allow homeowners in Massachusetts to remain in their home and must specifically relate to a person in the household's ability to function on a daily basis. The program is funded through a state-bond and the loan is secured by a mortgage in order to guaranty repayment. These repaid loan funds will be lent out to other borrowers in the future.

What kinds of projects are eligible?

In order to be financed by an HMLP loan, modifications must relate to the functional limitation of the beneficiary as documented by a professional with whom there is a client history. Projects that are not directly related to the beneficiary's ability to function on a day-to-day basis are not eligible for financing under the HMLP program. Some examples of projects funded through this program include ramps, hardwired alarm systems and other safety modifications, as well as accessible bathrooms and kitchens.

What types of loans are available?

Loans are made available in amounts from \$1,000 up to \$30,000. Applicants are eligible for a one-time per property loan. Loans are secured with a promissory note and a mortgage.

This program offers **0% or 3% deferred payment loans** and **3% amortizing loans** depending on the income of eligible households. Some landlords may be eligible for a 3% loan for a tenant.

- **0% loans:** Repayment of a 0% loan is made only when the property title is sold or transferred, or if any condition of the loan agreement is not met.

- **3% Deferred Loans:** A 3% Deferred loan requires monthly interest payments. A lump sum payment of the principal (total loan amount) must be repaid upon the maturity date which is determined by the total amount borrowed. Your maturity date will be found in your promissory note. The repayment period for 3% loans range from 5 to 15 years depending on the amount borrowed.
- **3% Amortizing loans:** Amortizing loans require monthly payments on principal and interest. This loan product allows you to meet your financial obligation by your maturity date, instead of having a lump sum due on this date. The repayment period for 3% loans ranges from 5 to 15 years depending on the size of the loan.

What are the Income Guidelines?

2014 Income Guidelines

Income guidelines are based on HUD published median income for the Boston MESA and are updated annually.

Household Size	Interest Rate	
	0% (DPL)	3% (Amortized Loan)
	Up to 100% of Median income	100-200% of Median income
1	\$65,900	\$131,800
2	\$75,300	\$150,600
3	\$84,700	\$169,400
4	\$94,100	\$188,200
5	\$101,700	\$203,400
6	\$109,200	\$218,400
7	\$116,700	\$233,400
8	\$124,300	\$248,600

How do I apply?

There are six agencies, serving seven regions throughout the Commonwealth that administer the program. To find the provider serving your community, look up your town on our website, www.mass.gov/mrc/hmlp and find the provider's contact information or contact Susan Gillam at 617-204-3739.

The provider will send you an application and determine initial eligibility. If you need assistance or reasonable accommodations during your application process, please let your local provider know.

Can a landlord apply for a loan to modify a rental unit?

A landlord who has an identified tenant with a disability or plans to have an identified tenant with a disability may apply for the loan. As in the case of a homeowner loan, the modifications to be made must be documented and must relate to the tenant's (beneficiary) functional needs. A landlord owning fewer than 10 units in the building may apply for a Home Modification loan at 3% interest.

NOTE: Any landlord with a unit in a building of 10 or more units is required to make modifications under MGL Paragraph 7A, Chapter 151B Section 4 and is **NOT** eligible for the Home Modification Loan Program unless the landlord can prove hardship through litigation under this statute.

What is the loan process?

Applications are accepted anytime and applicants are served on a first come first served basis. Applications are reviewed by the regional Provider Agency to determine eligibility. The application includes an *Application Checklist*, please be sure to include all items on this Checklist so your loan can be processed efficiently. Your loan application cannot move forward without all items included on this checklist. Please contact your regional provider agency if you are unsure of the status of your application or if you have any questions regarding the program requirements.

Once the Provider Agency has received a complete, signed application with all of the required documentation, including the *Home Modification Loan Program Bid, Scope of Work and Contract Form* (Bid Form), filled out by your chosen contractor, a program construction monitor will come to the home and perform an initial inspection. Once the provider agency has the inspection report they will draw up the loan documents for signature and will then record the mortgage at a Registry of Deeds/Registry District of the Land Court.

Please note, the Registry charges a fee to record a mortgage (or any other documents such as Certificate of Trustee or Change of Name Affidavit that may be necessary). This cost is the borrower's responsibility. The borrower may wrap these fees into their loan or pay this fee up front.

Once the mortgage is recorded, the provider agency will be able to request funds from its funding source, CEDAC. Once the provider agency has received the loan funds from CEDAC, funds may be disbursed as anticipated by the agreed upon loan disbursement schedule attached to your Loan Agreement. **Please note that it can take up to 4 – 6 weeks until the first disbursement can be made.**

Loans are disbursed in increments throughout the modification project. An initial disbursement of no more than 1/3 of the loan can be made to allow contractors to start work, please be aware labor costs cannot be included in an initial up-front disbursement. Subsequent disbursements are made after the homeowner submits contractor receipts or invoices showing a given percentage of work has been completed.

A final inspection will be conducted by the construction monitor at project completion. The final payment (10% of the total loan amount) will not be released to you or the contractor until the final inspection has been performed, the contractor signs a lien waiver and you have indicated your satisfaction with the modifications.

What happens if my application is determined not eligible?

If the application is not eligible for the HMLP funding, the applicant will be notified by the provider agency. The provider agency will attempt to provide appropriate referrals to other programs or sources of funding. Information on other programs which fund home modification can be found on our website or you can request a list from the provider agency.

What if my project will cost more than \$30,000?

Many HMLP borrowers have projects that exceed the maximum loan amount and need to find other sources of funds to supplement the loan. HMLP funds can only be disbursed after other sources of funding are utilized. Information on organizations or other programs which may have funds available for home modification projects can be found on our website or provider agencies can provide you with a handout with this information.

Who will do the actual work to modify the home?

Homeowners hire the designer and/or contractor of their choice to modify the home. The provider agencies can give you resource materials on choosing and hiring architectural, design, and contracting professionals **but cannot recommend specific contractors**.

What should I expect during construction?

HMLP providers do not get involved directly with contractors. Please see *The Home Modification Loan Program & Contractors* for more information on working with contractors and using funding from HMLP. Homeowners are responsible for monitoring contractors and other home improvement professionals. We suggest that when the work begins, homeowners keep a copy of the contract handy and refer to it often. If something is not going the way you feel it should or if you do not understand it speak directly to your chosen contractor, and notify the provider agency who can advise you on possible next steps.

What if I have a dispute with my contractor?

More information about consumer protections and how to file a complaint can be found at the state's Consumer Affairs department, www.mass.gov/ocabr/consumer/home-improvement-contract. This website provides a consumer guide to home improvement contractor complaints, which outlines the four different programs that handle complaints against residential home improvement contractors.

May I do any of the work myself?

A borrower who is a licensed contractor, may be allowed to do the work themselves in order to maximize the value of the loan funds. This is referred to as Self-help. In such cases, the HMLP funds can be used to pay for the cost of materials but cannot be used to pay for the borrower's or the borrower's immediate family member's labor.

What happens if I need to refinance my primary mortgage in the future?

If you need to refinance your primary mortgage after your HMLP loan project is completed, you must contact your Provider agency IN ADVANCE to request a subordination of the HMLP mortgage. The provider agency will need to see a copy of your home's appraisal, your credit report and real estate tax status in order to determine if they will subordinate their HMLP loan. The higher the value of all your mortgaged debt in relation to the value of your home, the more extensive the review process is likely to be. However, in most cases the subordination will be allowed. Please note that the HMLP review process can take a few weeks, so please be sure to notify your provider agency as soon as possible.

Is a Mortgage Protection Plan a requirement of the program?

No. Some of our borrowers have received notices about obtaining a mortgage protection plan in the mail after placing a HMLP mortgage on their property. These notices are not from the HMLP, mortgages and other filings at Registry of Deeds/Registry District of the Land Court are public record. You should consult a lawyer, insurance agent or other trusted advisor for further information on mortgage protection plans.

My home is in a Trust, am I eligible?

A Trust does not disqualify an applicant. However, the provider agency will require copies of your trust documents to be reviewed by legal counsel and in order to correctly document your loan.

Home Modification Loan Program

Application Checklist

Applicant Name: _____

Your signed application, including each of the sections listed below, and the required application documents should be mailed directly to the provider agency serving your community.

Sections of the Application:

- ☐ **Applicant or Homeowner Information (page 8)**
- ☐ **Household Income Information (page 9)**
- ☐ **Beneficiary Information and Home Modification Project Information (page 10)**
- ☐ **Documentation of Need from Professional Form (page 11)** *(To be filled out by your selected professional)*
- ☐ **Release of Information Form (page 12)**
- ☐ **Property Information (page 13)**
- ☐ **Signed PENALTY FOR FALSE OR FRAUDULENT STATEMENT (page 14)**
- ☐ **Landlord Form** (if applicable, ask your provider agency for a copy)

Required Application Documentation:

- ☐ **Proof you are up-to-date on real estate taxes** (a letter from your town, or an escrow account statement from your mortgage holder)
- ☐ **MA Income Tax Return** (or proof you are up-to-date on your state income taxes) (If taxes were owed, you must include proof of payment)
- ☐ **Household Income Documentation** (state or federal tax returns, benefit statements, 1099, W-2s or current paystubs) **note in most cases providing a copy of your state income taxes satisfies both income documentation and proof you are up to date on state income taxes.*
- ☐ **Copy of the Current Deed for Property to be modified**
- ☐ **HMLP Bid, Scope of Work & Contract Form** (to be completed by your selected contractor)
- ☐ For projects over \$30,000 (the program loan max.), proof of funds to complete the project (personal funds, lines of credit or loans, grants, gifts)
- ☐ Trust, Power of Attorney or Deed Rider documents, if applicable

Home Modification Loan Program Application

Applicant or Homeowner Information

The applicant is the individual or individuals who own the property to be modified. Landlord applicants must complete a *Landlord Form*, please ask your provider agency for a copy.

Please Print Clearly

Name (Last, First, MI): _____

Mailing address:

Number

Street

Unit #

City

State

Zip Code

Telephone: Home: _____ Work and/or Cell: _____

Fax: _____ TTY/TTD: _____ E-Mail: _____

Address of Property to be Modified (if different from above):

Number

Street

Unit #

City

State

Zip Code

Is any person listed in this application (including all property owners or beneficiary) an employee or a relative of an employee of the Provider Agency administering the Home Modification Loan Program?

Yes ☐ No ☐

Has any person listed in this application (including all property owners or beneficiary) received a Home Modification Loan from this or any other HMLP Provider Agency? Yes ☐ No ☐ If yes, has it been repaid?

Yes ☐ No ☐ Please list agency _____

Ethnic Background (Optional)

a. Native American ☐ b. White ☐ c. Hispanic ☐ d. Black ☐ e. Asian ☐ f. Other _____

How Did You Learn About the Home Modification Loan Program?

☐ Internet Search ☐ Radio/TV/Print Advertisement ☐ Informational Poster

☐ Friend or Relative ☐ Senior Center/Council on Aging ☐ Independent Living Center

☐ Community or Housing Organization ☐ Municipal Office ☐ Regional MRC office

☐ Other State Agency (DDS, DPH, DMH, MCB, MCDHH) ☐ Disability Organization

☐ Healthcare Agency (home health, skilled nursing facility, doctor's office or hospital) ☐ contractor

Other _____

Income Information

Applicant or Homeowner Name: _____

☐ If Applicant is a landlord renting to a family member, list all individuals in both the beneficiary's household and the property owner's household.

☐ If Applicant is a landlord renting to a non-family member, list all individuals in the tenant's household.

Please list all persons in household (attach additional sheet if needed):

1. NAME _____ Date of Birth _____ SOCIAL SECURITY NO. _____

Insurance: Private ☐ Medicare ☐ Medicaid ☐ None ☐

2. NAME _____ Date of Birth _____ SOCIAL SECURITY NO. _____

Insurance: Private ☐ Medicare ☐ Medicaid ☐ None ☐

3. NAME _____ Date of Birth _____ SOCIAL SECURITY NO. _____

Insurance: Private ☐ Medicare ☐ Medicaid ☐ None ☐

4. NAME _____ Date of Birth _____ SOCIAL SECURITY NO. _____

Insurance: Private ☐ Medicare ☐ Medicaid ☐ None ☐

5. NAME _____ Date of Birth _____ SOCIAL SECURITY NO. _____

Insurance: Private ☐ Medicare ☐ Medicaid ☐ None ☐

Indicate in the table below all income for each individual in the household listed above.

Name (# From above)	Source of Income	Documentation	Income/Month	Income/Week	Annualized

For Provider Use Only:

Total # Persons in Household: _____ **Total Annual Household Income:** \$ _____

20__ Income Limit for family size listed above: \$ _____ ☐ 100% ☐ 200%

Loan Product Eligibility: ☐ 0% ☐ 3%

Verified By: _____

Date: _____

Beneficiary Information

The beneficiary is the individual(s) in the household with the professionally documented limitation(s) and the person(s) who will benefit from the modifications (if additional space is needed, please include on a separate sheet):

(1) Name: _____ Age: _____
 Last First MI
Relationship to Homeowner/Landlord (i.e. child, niece, brother, friend, tenant): _____
Is the property listed above the Primary Permanent Address of this person: ____ yes ____ no

(2) Name: _____ Age: _____
 Last First MI
Relationship to Homeowner/Landlord (i.e. child, niece, brother, friend, tenant): _____
Is the property listed above the Primary Permanent Address of this person: ____ yes ____ no

Home Modification Project

Explain your need for home modifications as it relates to the individual(s) with a documented limitation(s) in your household. Attach additional pages as needed. Include an *estimated* amount of the cost of the project if possible. Please provide as much detail as possible.

Estimated Cost (if available) \$ _____

If the project exceeds \$30,000, you must provide evidence of other funds to complete your home modification project. The HMLP loan will be disbursed only *after* all other funds have been used. If your other funding source(s) have this same requirement, please contact your provider agency. Documentation of this funding will be required prior to completing the loan process.

Documentation of Need from Professional

Please have your chosen professional complete the form on the next page. This person must be someone whom the beneficiary has a professional relationship, such as a doctor, physical therapist, occupational therapist, social worker, case manager, or other relevant professional. Please consider the expertise of the professional carefully when selecting the individual, if the documentation provided is inadequate or insufficient, additional information will be required.

DOCUMENTATION OF NEED FROM PROFESSIONAL FORM

Please have your selected professional complete and sign this form.

The Home Modification Loan Program provides funding for necessary home modifications or adaptations which are required because the individual's ability to function on a daily basis is limited by the configuration of their home. When completing this form, please be SPECIFIC and identify the functional aspects of the individual's limitation(s) that directly relates to a need for improved accessibility and/or safety.

1. Name of Individual: _____ Age: _____

2. What is the individual's primary impairment? _____

What is the individual's secondary impairment? _____

List any additional impairments _____

3. What types of functional limitations does the individual's impairment(s) involve? (Please check all that apply):

- ☐ Mobility (uses wheelchair)
- ☐ Mobility (uses walker/other mobility device)
- ☐ Mobility (currently uses no mobility device)
- ☐ Dexterity
- ☐ Difficulty breathing/shortness of breath
- ☐ Emotional or behavioral

- ☐ Sensory
 - ☐ Sight
 - ☐ Hearing
 - ☐ Chemical sensitivity
- ☐ Developmental
- ☐ Cognitive
- ☐ Limited safety awareness

☐ Other – Please specify _____

4. List the necessary permanent home modifications or the changes to the current configuration of the home which directly relate to improving the individual's day-to-day function or will allow the person to live independently in the community. *For example, Sally has gait issues and is unable to safely get in and out of her current shower. She would benefit from a barrier-free shower.*

Signature of Professional

Print Name

Phone #

Mailing Address

Release of Information

I hereby give authorization to _____ (*Provider Agency*) to make inquiries for the Home Modification Loan Program as needed regarding information and documentation supplied by me to verify:

_____ Household income

_____ Unsafe conditions noted at time of inspection

_____ My need for modifications as documented by _____, (*a professional with whom I have a client history*)

Address of the residence to be modified is:

Number	street	city/town	zip
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Phone	e-mail
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This information is in regard to my request for a Home Modification Loan.

Signature: _____ Date _____

This authorization is valid until my loan has been closed and all modification work completed.

Property Information

I, the undersigned Borrower/Property Owner for the Home Modification Loan Program, affirm and attest that the following is true of the property to be modified under this program at

_____,
Address

_____,
Town

Zip

1. Type of property:

☐ Single Family ☐ Multi-family ☐ Mobile Home ☐ Condominium

If multi-family: number of units: _____ How many units are occupied? _____

2. Owner(s) of record of the property to be modified: (those listed on the property's deed)

1. _____ 2. _____

3. _____ 4. _____

You must include a copy of your property's current deed with your application. *If you need help obtaining a copy of your deed, please contact your Provider Agency for assistance.*

Please verify by Book: _____ Page: _____ of deed at the Registry of Deeds in the County of Residence.

3. Lead Paint Verification I understand that it is my responsibility to comply with all applicable laws and regulations regarding the presence of lead paint in my home. The provider agency and HMLP are not responsible for lead paint abatement in my home.

YES

NO

☐☐

(1) The home was built before 1978.

☐☐

(2) The property is subject to an emergency lead management plan and letter of interim control.

4. Historic Certification

☐ My property is **NOT** listed in, or located within or near another home or historic district listed in the Historic Register.

☐ My property **IS** listed in, or located within or near another home or historic district listed in the Historic Register

5. If your home is owned by a **Trust**, please attach the Declaration of Trust and Schedule of Beneficiaries (please note there are additional recording fees; please ask your provider agency for more information).

6. If you or the beneficiary has a **Power of Attorney**, please attach (please note, there are additional recording fees, please ask your provider agency for more information).

7. If your property has a **Deed Rider** or affordability restriction through your town or state (example an LIP unit or 40B project), please attach.

8. Are you currently filing or planning on filing for **bankruptcy**? ☐ Yes ☐ No

PENALTY FOR FALSE OR FRAUDULENT STATEMENT

The applicant(s) certifies that all information provided herein, and all information in support of this application, is given for the purpose of obtaining assistance from the Home Modification Loan Program.

I/We hereby certify that all of the above statements are true, accurate and complete to the best of my/our knowledge and belief.

I hereby consent to the verification of any information given in this application. I understand that the information will be used to determine eligibility for this program and is subject to the requirements of HMLP Program Guidelines. The applicant(s) agree(s) to abide by the HMLP requirements in connection with any assistance received pursuant to this application.

I understand that HMLP may deny my application if I am currently filing for bankruptcy and/or have a bankruptcy case pending. I will notify the Provider Agency of any current, pending or future bankruptcy or foreclosure action against me.

All information generated as a part of this program is confidential between the program applicants and program administrators.

Signature(s) of Property Owner/Borrowers: *The signatories below acknowledge that this document is signed under pains of penalties and perjury.*

All persons listed on the deed must sign below.

Signature:

Date:
